



THE GREATER PORTLAND WORK BOOK

A DATASCAPE OF THE PORTLAND, OREGON - VANCOUVER, WASHINGTON METRO REGION 2011



Why Greater Portland?

When the Brookings Institution published *Export Nation* this year, greater Portland-Vancouver made a big showing: number two exporter among all U.S. metro regions, second-greatest five-year growth in exports, number one in computer and electronics exports to China.

This news didn't come entirely as a surprise. Portland-Vancouver makes things, as it has since time began — from merchant ships to silicon chips and now wind turbine parts, solar panels and lithium-ion batteries — hundreds of products increasingly in demand by markets farther and farther flung.

Invention, manufacture and trade form the backbone of the Portland region's economy, with strong suits in hardware and software, clean tech, biotech and — born of the region's insatiable thirst for cycling, hiking, camping and skiing — a hyper-active cluster of outdoor-wear and gear firms.

Businesses have good reason for making Portland-Vancouver their home: easy access to markets, smart workers and low costs (utilities, commercial space, wages and taxes all take a smaller bite than in other western metros). The region, too, is famously livable, blessed by nature and man with a spectacular backdrop of woods and water and a main stage of urban pleasures interlaced with a network of bus, rail and bike routes.

Throughout this *Work Book*, greater Portland is measured against nine competitive western U.S. metros to illustrate the region's strengths. While the data speak for themselves, they're enhanced by the voices of six regional executives who introduce their companies and address the question: Why greater Portland?

Given a value proposition that exalts both work and lifestyle, the appropriate rejoinder is: Why not?

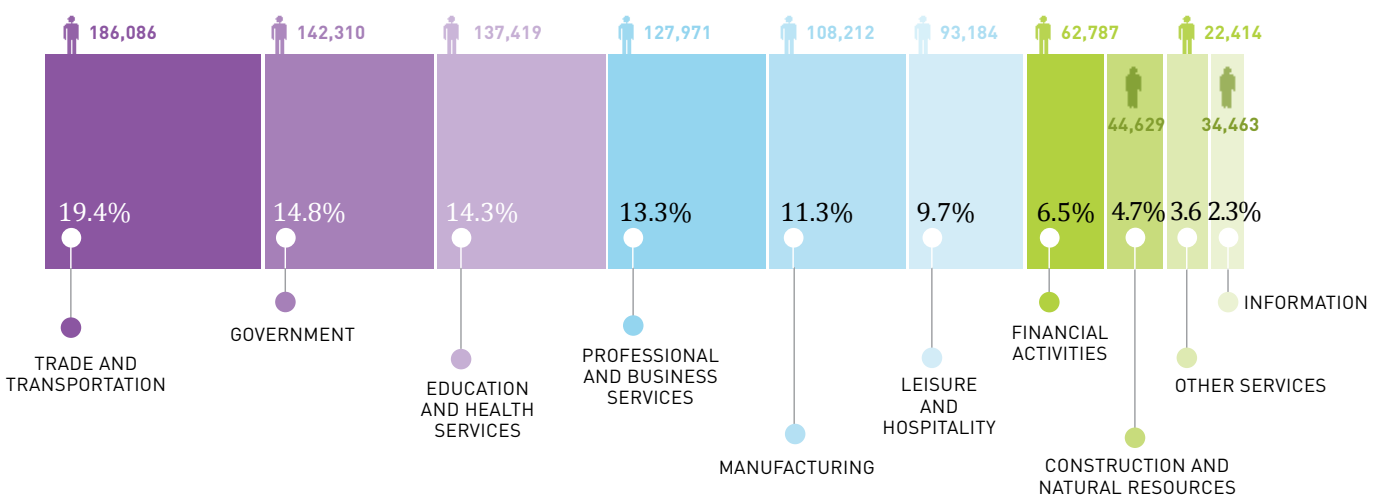


ECONOMY

Employment by industry

2011

SOURCE: IHS GLOBAL INSIGHT



PRODUCTIVITY SURGE

In 2011, greater Portland-Vancouver's gross regional product topped \$125 billion — a third greater than Austin's \$84 billion. And it's not stopping. In the next five years, it's expected to grow by another 30%.

Employment growth

PROJECTED

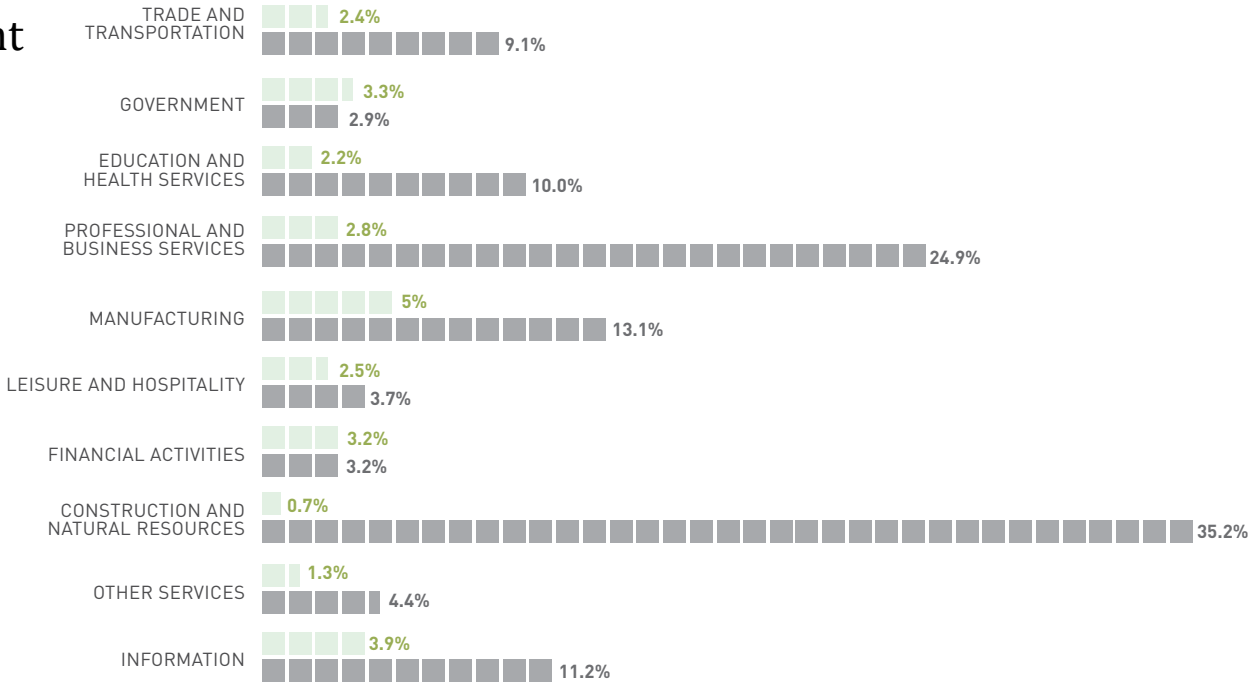
2011-2016

Employee icon = Employees

2011-2012

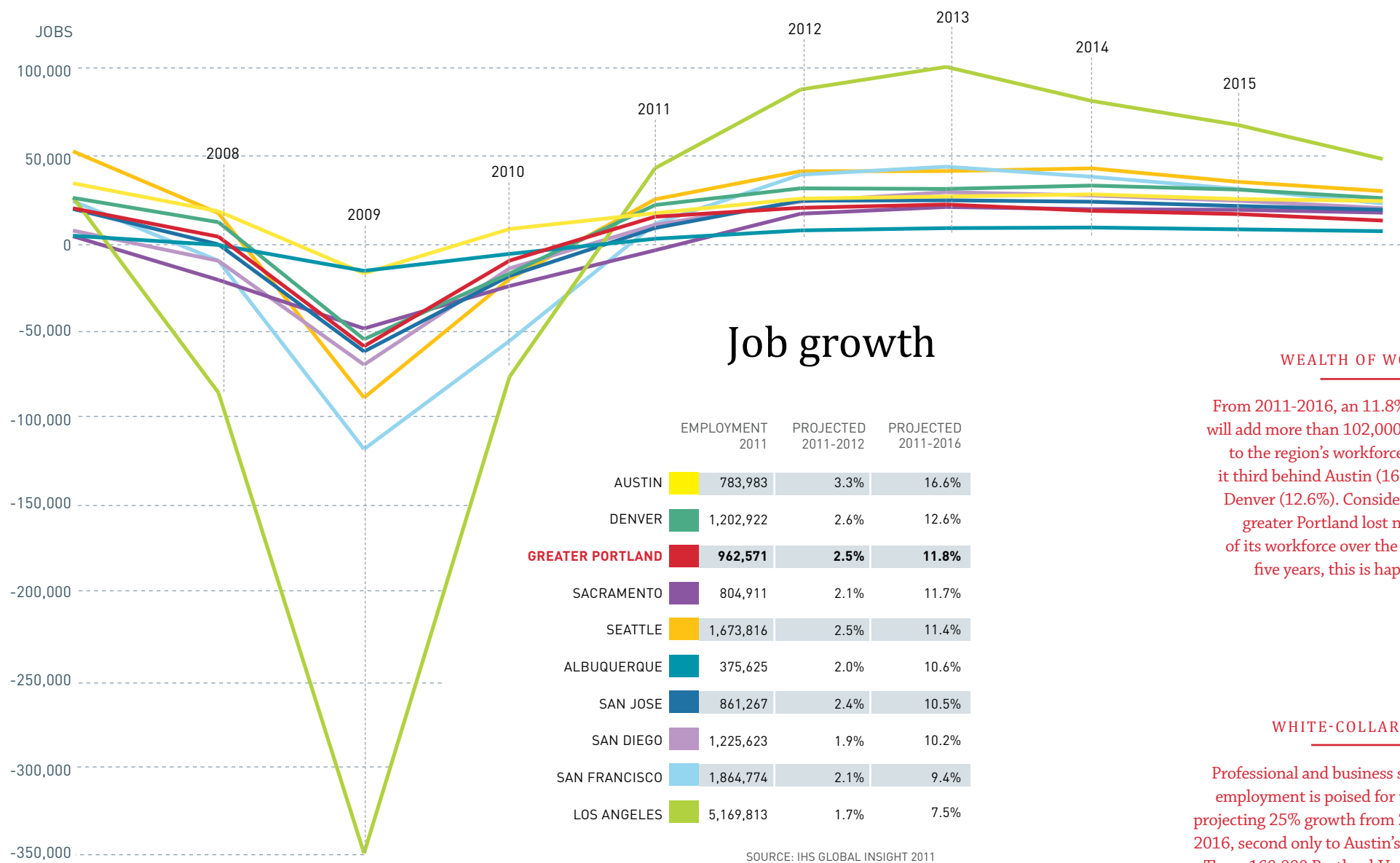
2011-2016

SOURCE: IHS GLOBAL INSIGHT 2011



ECONOMY

ECONOMY



WEALTH OF WORKERS

From 2011-2016, an 11.8% growth will add more than 102,000 workers to the region’s workforce, placing it third behind Austin (16.6%) and Denver (12.6%). Considering that greater Portland lost nearly 5% of its workforce over the previous five years, this is happy news.

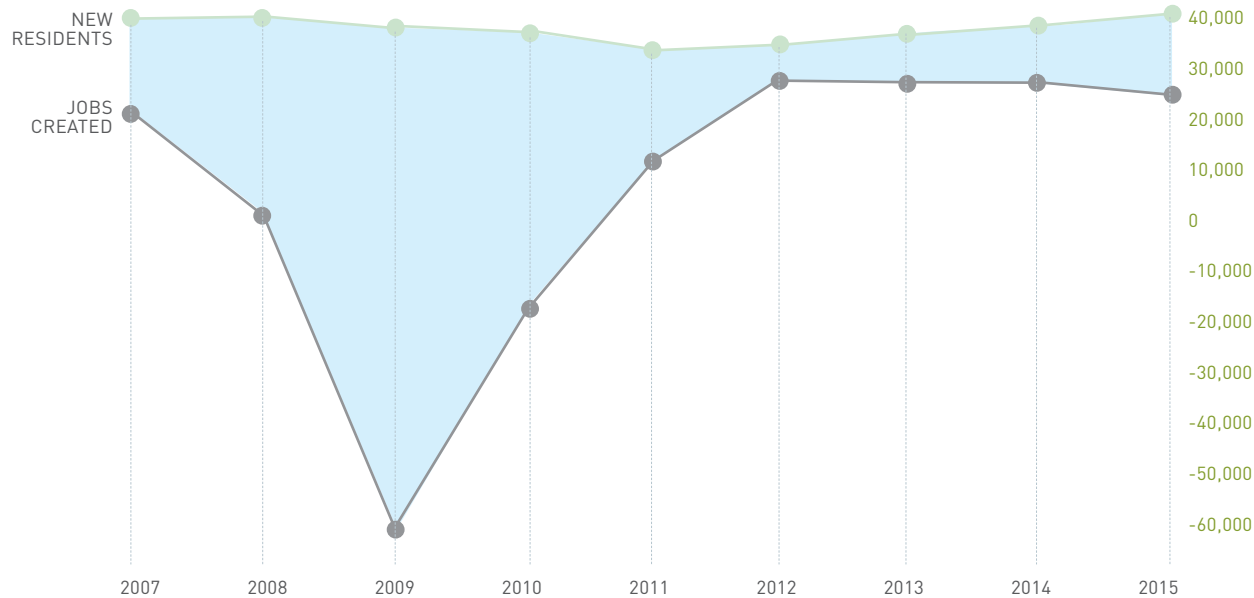
WHITE-COLLAR BOOM

Professional and business services employment is poised for takeoff, projecting 25% growth from 2011 to 2016, second only to Austin’s 33.2%. Those 160,000 Portland-Vancouver workers will represent 15% of the total workforce.

New residents vs. jobs created

PROJECTED GROWTH
2007-2015

SOURCE: IHS GLOBAL INSIGHT 2011



ECONOMY / CASE IN POINT

Benchmade Knife Company

OREGON CITY, OREGON

Benchmade Knives was 18 months old when Les de Asis packed up his home and his fledgling company in May 1987, and drove an overloaded RV from the San Fernando Valley to Portland.

"The weather was glorious all the way from Los Angeles to Portland and we fell in with the place. We figured all the talk about rain was just anti-Californian propaganda," jokes de Asis. "In the San Fernando Valley we had been dealing with overcrowding and a lot of negatives as a small business competing with bigger companies. The Portland area provided the quality of life we wanted as well as the vendor base and the manufacturing focus

of like-minded companies."

With mountains and ocean 90 minutes from the city center, greater Portland was home to a thriving outdoor apparel industry, including Columbia Sportswear and Nike. It was also the home of Gerber Legendary Blades, the knifemaker founded by Pete Gerber in 1939 that continues to produce multi-tools prized by outdoors enthusiasts. Gerber employs 300 and generates revenues of \$100 million. Pete Gerber was one of the first people des Asis sought out.

"We just got to talking, and I concluded that the competitive advantage in legislation, the availability of workforce, pricing, the economics of the move, all pointed to Portland as a great place for business."

Never mind that de Asis was a potential competitor. Gerber introduced him to a former employee who knew how

to operate the specialized machinery de Asis had purchased from a defunct knifemaking operation in Utah. The rest is history. Benchmade thrived, moving from a 3,000 square-foot warehouse to a 15,000 square-foot industrial park to its present 75,000-square-foot manufacturing plant, where it employs 200 and produces tactical knives for military and law enforcement personnel. Annual revenues have surpassed \$30 million.

De Asis couldn't be happier.

"Occasionally, the weather makes me crazy but, my god, within an hour and half you've got the mountain and the beach and the high desert," he says. "It's rejuvenating; it's peaceful. I don't know how to describe Portland. Is it a large small city or a small large city? It's just a beautiful place. It was the best move I could have made."

“

We had the opportunity to go to Colorado and as far away as West Virginia. We could have located just about anywhere. But the nucleus of the modern knifemaking industry is Portland, and we're proud to be a contributing member.

LES DE ASIS
Founder and CEO

CONSTRUCTION REBOUND

In the next five years, greater Portland's construction industry will rebound 35% to 60,360 workers. (From 2006-2011, the sector lost 20,000 workers.) Now the bad news: Even with the rebound, construction employment in 2016 will still not reach 2006 levels.

TRADE AND TRANSPORT

Accounting for one-fourth of the region's employment, transportation and trade employment in Portland-Vancouver is expected to increase by 9% to 203,000 workers. Add manufacturing, and you're talking about more than 325,000 workers — one-third of all regional employment.

ECONOMY

ECONOMY

Gross regional product

PROJECTED GROWTH
2011-2016

AUSTIN **35.4%**

SAN JOSE **29.4%**

DENVER **28.9%**

GREATER PORTLAND 28.8%

SEATTLE **28.7%**

ALBUQUERQUE **28.6%**

SACRAMENTO **27.7%**

SAN DIEGO **26.8%**

SAN FRANCISCO **25.9%**

LOS ANGELES **24.7%**

SOURCE: IHS GLOBAL INSIGHT 2011

MAJOR EMPLOYERS

ACS COMMERCIAL SOLUTIONS
ACUMED
ADIDAS AMERICA
ALBERTSON'S DISTRIBUTION CENTER
ATI WAH CHANG
BANK OF AMERICA
BLOUNT INTERNATIONAL
BNSF RAILROAD
BOEING OF PORTLAND
BONNEVILLE POWER ADMINISTRATION
CASCADE CORPORATION
CLARK COLLEGE
COLUMBIA SPORTSWEAR
CON-WAY
DAIMLER TRUCKS NORTH AMERICA
EPSON PORTLAND
ESCO
FEI COMPANY
FLIR
FRED MEYER
FREIGHTLINER
FRITO-LAY
GEORGIA-PACIFIC CORPORATION
GREENBRIER COMPANIES
IBM
INTEL

KAISER FOUNDATION HEALTH
PLAN OF THE NORTHWEST
KAISER PERMANENTE
LEGACY HEALTH SYSTEM
LEGACY SALMON CREEK
LEUPOLD STEVENS
MENTOR GRAPHICS
MERIX
MICRO POWER ELECTRONICS
MICROCHIP TECHNOLOGY
MICROSYSTEMS ENGINEERING
MOUNT HOOD MEDICAL CENTER
NAUTILUS GROUP
NIKE
NORTHWEST PIPE
OECO LLC
ON SEMICONDUCTOR
ORACLE AMERICA
OREGON HEALTH AND SCIENCE
UNIVERSITY
OREGON IRONWORKS
OREGON NATIONAL PRIMATE
RESEARCH CENTER
OREGON STEEL MILLS
OREGONIAN PUBLISHING
PACIFIC SEAFOOD
PORTLAND COMMUNITY COLLEGE
PORTLAND GENERAL ELECTRIC
PORTLAND STATE UNIVERSITY
PRECISION CASTPARTS
PROVIDENCE HEALTH SYSTEMS
PROVIDENCE WILLAMETTE FALLS

HOSPITAL
REGENCE
RESER'S FINE FOODS
RR DONNELLEY NORTHWEST
SAFEWAY
SAGE SOFTWARE
SEH AMERICA
SOUTHWEST WASHINGTON
MEDICAL CENTER
STREAM INTERNATIONAL
TEKTRONIX (DANAHER)
TRIQUINT SEMICONDUCTOR
TYCO ELECTRONICS
U.S. BANK
UNIFIED GROCERS
UPS
VANCOUVER CLINIC
WAFERTECH
WAGGENER EDSTROM
WORLDWIDE
WARN INDUSTRIES
WELCH ALLYN
WELLS FARGO
XEROX
YAHOO!

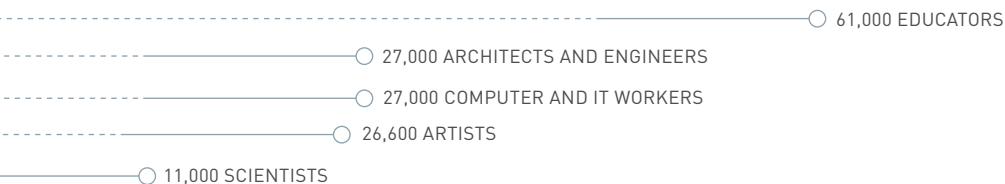
EDUCATION AND HEALTH SERVICES

This sector is expected to grow 10% by 2016 — on pace with Seattle (9.9%) and San Diego (8.9%). Austin is looking at a different picture: Because of its booming population, the region's education and health services employment is projected to increase 21%.

HOSPITALITY

Despite the economic downturn, greater Portland-Vancouver's leisure and hospitality employment remained constant. Looking toward 2016, the sector is expected to grow by 4% to 96,700 workers, or 9% of the total workforce.

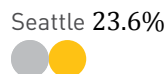
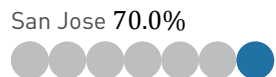
Look who's here



U.S. BUREAU OF LABOR STATISTICS 2010

High-tech GRP

AS % OF TOTAL GRP 2008

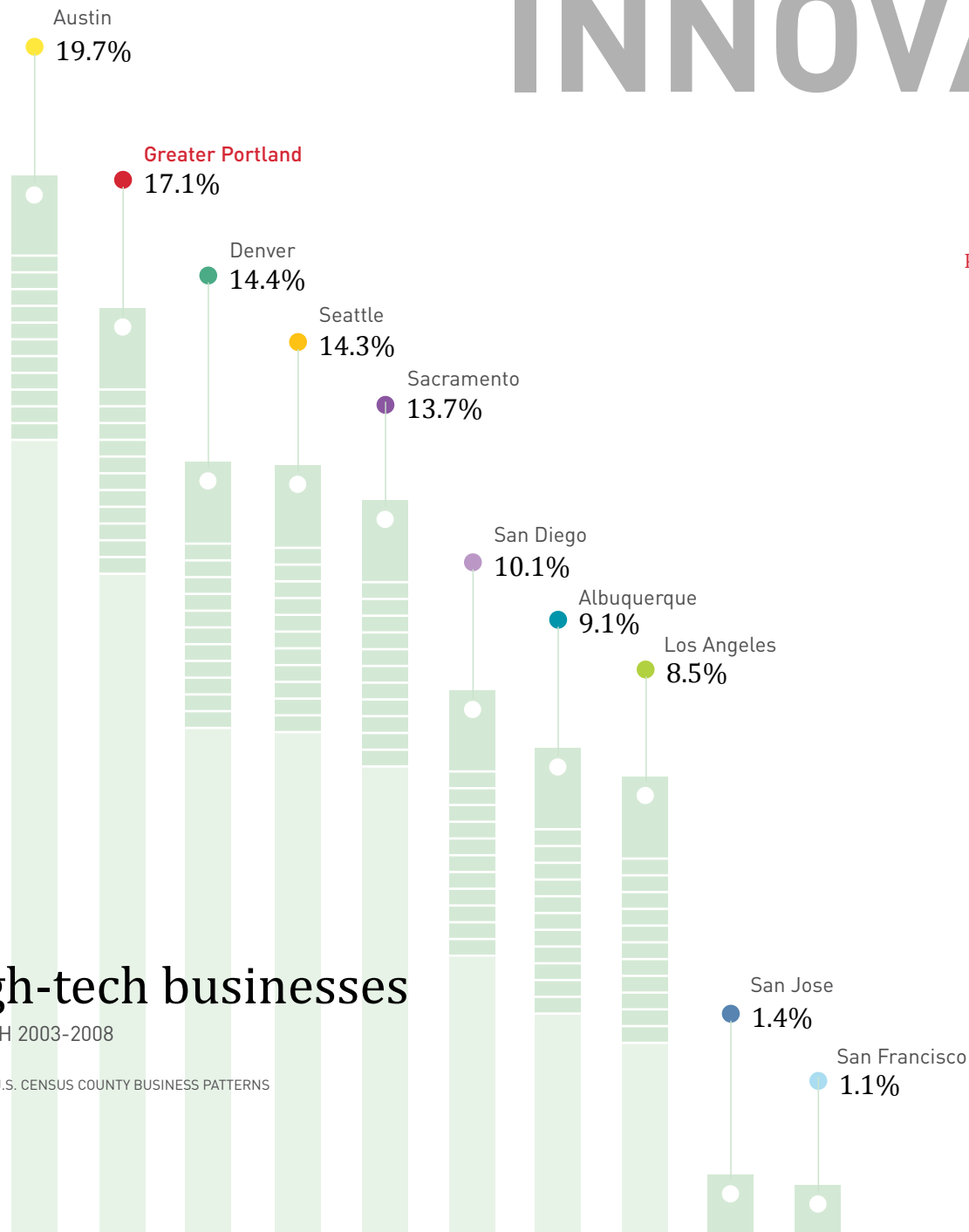


SOURCE: U.S. BUREAU OF ECONOMIC ANALYSIS

High-tech businesses

GROWTH 2003-2008

SOURCE: U.S. CENSUS COUNTY BUSINESS PATTERNS



INNOVATION

SILICON FOREST

Nearly 4,000 high-tech businesses call Portland-Vancouver home, a concentration 18% greater than the national average. Since 2005, that number has increased 17%, second only to Austin. High-tech businesses here employ more than 85,000 residents — 33% more than the national average.

PATENTS FOR PORTLAND

More than 1,400 patents were awarded to recipients in Portland-Vancouver. In the last five years, patents here increased 3.5%, while declines were registered in Los Angeles (-3.9%) Denver (-7.0%), Sacramento (-12.8%) and Albuquerque (-14.1%).

INNOVATION

Inc. 5000 companies

RANK

66	CLEARACCESS
160	VIRTUALOSITY SOLUTIONS
663	SMARSH
777	LIVING HARVEST FOODS
795	WELLPARTNER
837	ID EXPERTS
863	AUDIGY GROUP
1,142	CONSUMER CELLULAR
1,206	DADDIES BOARD SHOP
1,221	OBVIUS HOLDINGS
1,551	PROKARMA
1,596	WHITE HORSE
1,599	DULL OLSON WEEKES ARCHITECTS
1,662	IOVATION
1,686	ETHICSPPOINT
1,722	INTEGRA TELECOM
2,113	CASTOR & POLLUX PET WORKS
2,319	KEEN HEALTHCARE
2,417	CENTERSTANCE
2,505	FORTIS CONSTRUCTION
2,613	NLIGHT
2,720	CERTIFIED LANGUAGES INTERNATIONAL
2,759	XPLANE
2,778	GBCBLUE
2,823	TRIPWIRE
2,836	RYONET
2,844	EROI
2,849	VIGILAN
2,882	WAVE FORM SYSTEMS
2,912	BAGGALLINI
2,978	ISITE DESIGN
2,994	AARON'S SALES AND LEASE OWNERSHIP
3,030	SUSTAINABLE HARVEST COFFEE IMPORTERS
3,130	HOUSE OF ANTIQUE HARDWARE
3,154	SILICON FOREST ELECTRONICS
3,234	PCD GROUP
3,246	ANGELVISION

Freelancers

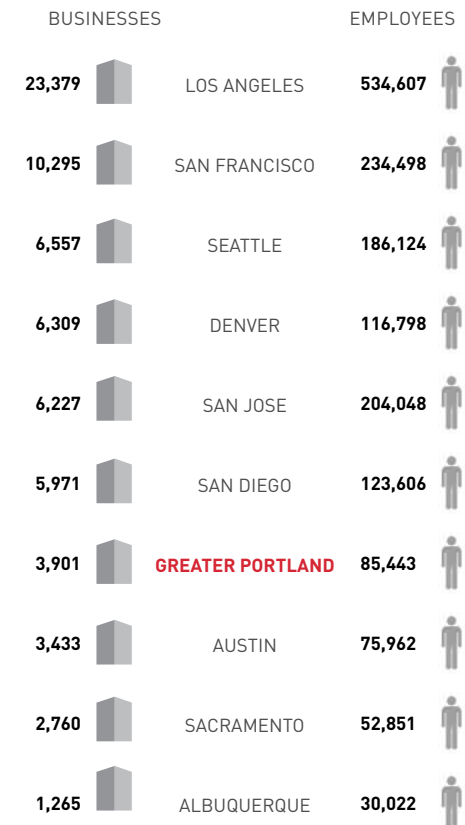
GROWTH 2003-2008



SOURCE: U.S. CENSUS
NON-EMPLOYER STATISTICS

High-tech sector

2008



SOURCE: U.S. CENSUS COUNTY BUSINESS PATTERNS

3,289	EARL & BROWN
3,301	FOODGUYS
3,316	TIMBERCON
3,371	PROFORMA SPECTRUM PRINT GRAPHICS
3,406	VERNIER SOFTWARE & TECHNOLOGY
3,499	HANSON CONSTRUCTION
3,543	SAM MEDICAL PRODUCTS
3,550	NOVA USA WOOD PRODUCTS
3,586	STERLING COMMUNICATIONS
3,713	PAPA MURPHY'S INTERNATIONAL
3,785	E-BI INTERNATIONAL
3,937	DOCUSOURCE PRINT MANAGEMENT
4,023	STRUCTURED COMMUNICATION SYSTEMS
4,225	ZGF ARCHITECTS
4,403	R2C GROUP
4,549	SURF COWBOY
4,568	STOEL RIVES
4,922	VANDERHOUEWEN

SOURCE: INC. MAGAZINE 2010

Patents

PER 100K RESIDENTS 2009

SAN JOSE	353.0
AUSTIN	128.9
SAN FRANCISCO	125.8
SEATTLE	109.8
SAN DIEGO	64.4
GREATER PORTLAND	63.8
ALBUQUERQUE	29.8
LOS ANGELES	26.5
DENVER	20.9
SACRAMENTO	16.6

SOURCE: USPTO

Venture capital

IN MILLIONS 2010

SILICON VALLEY	\$8,513.4
LOS ANGELES	\$1,584.1
SAN DIEGO	\$846.9
PACIFIC NORTHWEST*	\$806.3
COLORADO	\$467.5
SOUTHWEST	\$277.6
SACRAMENTO	\$33.9

* INCLUDES OREGON, WASHINGTON AND IDAHO

SOURCE: PRICEWATERHOUSECOOPERS
MONEYTREE

FREELANCERS

The region is home to more than 150,000 freelance workers — three times what you’d find in Albuquerque and 16% more than in Austin.

INC.-LISTED

Two greater Portland companies rank among the Inc. 500 list of fastest-growing businesses and 56 among the top 5000. These companies boast an average growth rate of 203%.

INNOVATION / CASE IN POINT

Agilyx

TIGARD, OREGON

In a converted warehouse in an office park, Chris Ulum has been turning mountains of non-recyclable plastic into barrels of black gold: synthetic crude. Agilyx, founded in 2004 and employing 24, transforms waste plastic — everything from motor oil containers to toys — from solid to liquid to gas that’s condensed into crude and trucked to a refinery in Tacoma, where it’s refined into gasoline and diesel fuel.

Over the past two years, Agilyx’s demonstration plant in suburban Tigard has converted a million pounds of garbage into 130,000 gallons of oil, at roughly a third of the cost

of conventional crude oil. With an infusion of \$22 million from a Silicon Valley venture firm, Agilyx this year plans to open two more plants and envisions building and running them at recycling centers around the United States and around the world.

“We’re right on the cusp of commercialization,” says Ulum, who notes that Agilyx chose the Portland region for its headquarters in part because of Oregon’s innovative Business Energy Tax Credit, which can halve startup costs. “There’s a strong spirit of innovation in the Pacific Northwest, and Portland in particular.”

That innovation tends toward green: everything from wave energy (Oregon Iron Works) to wind (Vestas), solar power (SolarWorld, Ferrotec Corp.), fuel cells (ClearEdge Power,

Hydra Fuel Cell Corp.) and green building (Gerding Edlen Development). The metro is home even to a green venture firm, Equilibrium Capital, which invests in sustainability-oriented startups.

“Oregon has a long legacy that goes all the way back to the original bottle bill and land-use planning and environmental stewardship,” says Ulum. “It’s a culture that understands that business and government and society tend to be very much aligned when it comes to green technology, that there is no automatic tradeoff between business and the environment. That the environment is very, very good for business.”

“

There are companies working on alternative transportation, electric car companies. There are smart grid companies and solar companies, some biodiesel companies. Wind is big. That’s just the tip of iceberg. For every company I hear about, there’s two or three or four others I don’t know about.

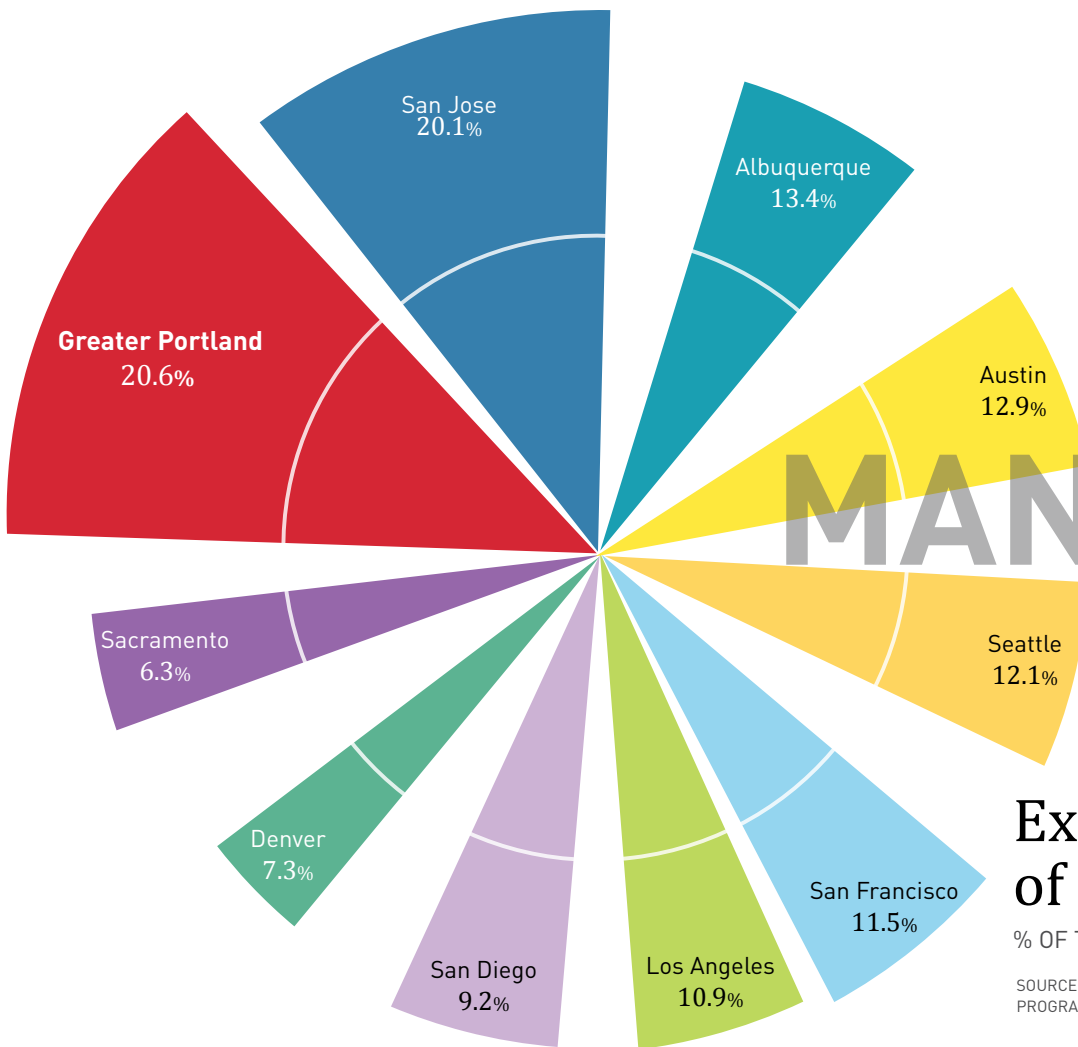
CHRIS ULUM
CEO

CAPITAL INFUSION

In 2010, Pacific Northwest companies received more than \$806 million in 156 deals.

INNOVATION

MANUFACTURING + EXPORT



Export share of GRP

% OF TOTAL 2008

SOURCE: BROOKINGS METROPOLITAN POLICY PROGRAM AND MOODYS.COM 2010. DATA 2003-2008

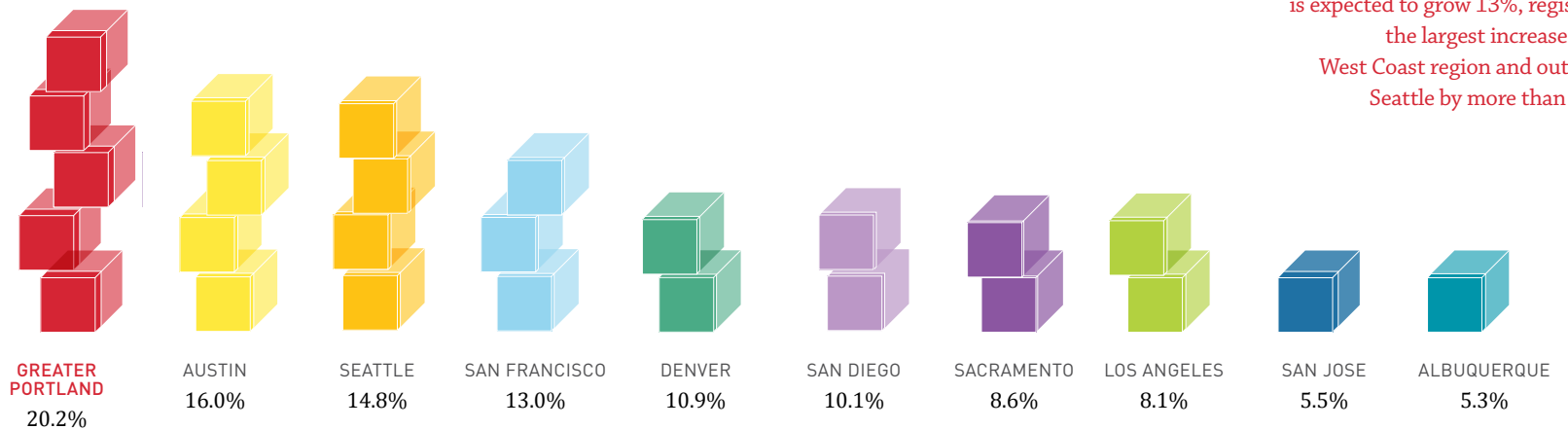
MAKING IT BIG

More than 108,000 greater Portland residents (11% of the workforce) are employed in manufacturing. By 2016, the manufacturing brain trust is expected to grow 13%, registering the largest increase of any West Coast region and outpacing Seattle by more than 300%.

Export growth

2003-2008

SOURCE: BROOKINGS METROPOLITAN POLICY PROGRAM AND MOODYS.COM 2010



Export value

IN BILLIONS 2008

LOS ANGELES **\$78.5**
SAN FRANCISCO **\$30.9**
SEATTLE **\$24.2**
SAN JOSE **\$22.8**
GREATER PORTLAND \$22.0
SAN DIEGO **\$15.5**
AUSTIN **\$10.2**
DENVER **\$10.1**
SACRAMENTO **\$6.3**
ALBUQUERQUE **\$4.5**

SOURCE: BROOKINGS METROPOLITAN
POLICY PROGRAM AND MOODYS.COM 2010.
DATA 2003-2008

Export-related jobs

2008

LOS ANGELES **560,475**
SAN JOSE **212,157**
SEATTLE **196,000**
SAN FRANCISCO **160,125**
GREATER PORTLAND 125,626
SAN DIEGO **115,245**
DENVER **74,397**
AUSTIN **73,540**
SACRAMENTO **43,235**
ALBUQUERQUE **26,498**

SOURCE: BROOKINGS METROPOLITAN
POLICY PROGRAM AND MOODYS.COM 2010.
DATA 2003-2008

Manufacturing employment

GROWTH 2011-2016

LOS ANGELES **527,742**
SEATTLE **172,612**
SAN JOSE **160,053**
SAN FRANCISCO **116,753**
GREATER PORTLAND 108,212
SAN DIEGO **92,309**
DENVER **59,726**
AUSTIN **48,473**
SACRAMENTO **33,990**
ALBUQUERQUE **17,851**

SOURCE: IHS GLOBAL INSIGHT 2011

MORE GOODS TO MARKET

From 2003 to 2008, greater Portland's exports increased more than 20%, the largest increase among benchmark regions. Compare Denver's 10.9% growth, Los Angeles' 8.1%, San Jose's 5.5% and Albuquerque's 5.3%.

EXPORT EMPLOYMENT AND WAGES

Export-related work employs nearly 126,000 Portland-Vancouver residents, 13% of the total workforce. Annual wages average \$91,535.

MANUFACTURING + EXPORT / CASE IN POINT

Intel

HILLSBORO, OREGON

"We refer to ourselves as the anchor of the region's economy," says Jill Eiland, corporate affairs manager at Intel, which employs more than 15,000 at its sprawling Ronler Acres manufacturing and R&D complex 20 miles west of Portland's city center.

Since locating the hub of its chipmaking operations in Hillsboro in 1974, Santa Clara-based Intel hasn't only anchored Oregon's economy (accounting for \$20 billion in capital investment), it has redefined the area as a high-tech manufacturing juggernaut. Manufacturing, trade and transport account for more than a third of the metro's employment and gross regional product. From 2003 to 2008, computer and electronics manufacturing

alone doubled Portland-Vancouver's exports to \$22 billion, supporting 125,626 jobs. Exports now account for 20.6% of the region's gross product.

For more than three decades, Intel has served as the center of gravity of the Silicon Forest, a microchip-making cluster that includes Lattice, Siltronic and TriQuint, among others. More recently the sector has spawned a second-generation cluster of clean-tech manufacturing, including SolarWorld, employing 1,000 at the largest solar cell production facility in North America, and startup ClearEdge Power, with more than 200 employees producing fuel cells just around the corner from Ronler. ClearEdge is looking toward an IPO in 2012.

Intel's influence on the regional — and national — export-oriented economy is growing. In February 2011, the company broke ground on the world's first

14-nanometer microprocessor factory, a \$3 billion expansion that over the next two years will employ 3,000 construction workers (welding 19 tons of steel, laying 40 miles of pipe and pouring 13,000 truckloads of cement) and ultimately 800 bunny-suited technicians who'll work in a clean room spanning four football fields. The technicians' annual gross incomes average \$117,000, nearly three times the national average.

"Intel is possible because of the incredible capacity of America to reinvent itself and to allow people to live out their dreams," declared President Obama during a visit to Ronler Acres in February 2011. "How do we make sure that more companies like Intel invest here, manufacture here, hire here? In a world that is more competitive than ever, it's our job to make sure that America is the best place on earth to do business."

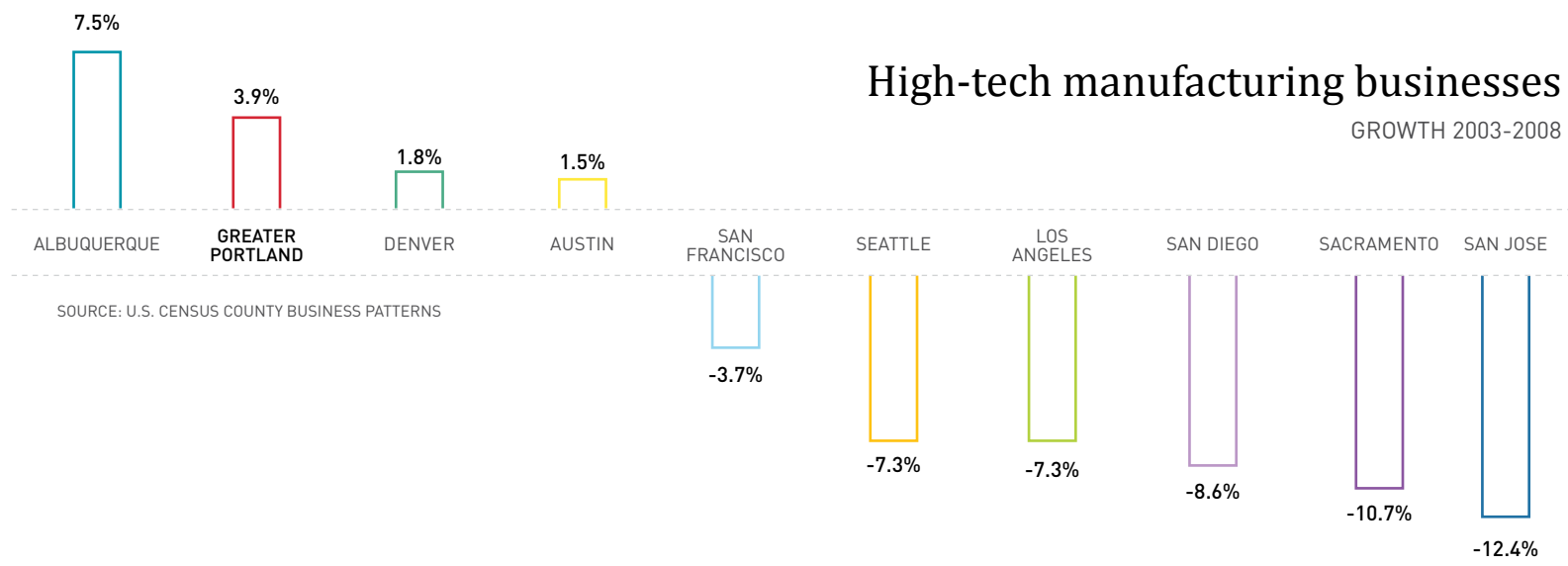
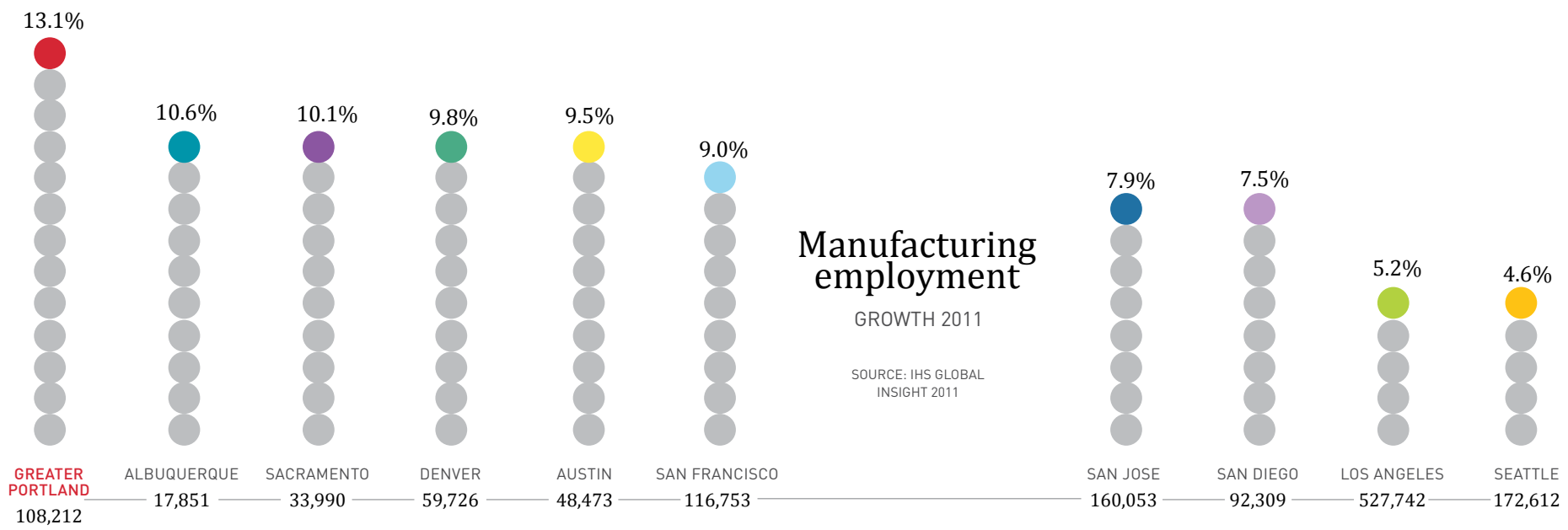
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We need to re-ignite innovation in the U.S. as a means of creating jobs and wealth. I believe the world of technology and a vibrant manufacturing base lie at the heart of creating this future. This is one of the reasons for our continued investment in Oregon.

PAUL OTELLINI
CEO

MANUFACTURING + EXPORTS

MANUFACTURING + EXPORT



Commercial real estate

\$ PER SQ. FOOT 2011

CLASS A OFFICE			
	RENT	VACANCY	
San Francisco	\$35.71	13.9%	
Los Angeles	\$35.40	17.4%	
San Jose	\$35.40	25.6%	
San Diego	\$30.36	18.2%	
Seattle	\$30.20	17.7%	
Austin	\$28.09	21.4%	
Sacramento	\$24.48	21.9%	
Denver	\$23.43	15.6%	
Greater Portland	\$23.09	13.6%	
Albuquerque	\$20.37	14.7%	

FLEX			
	RENT	VACANCY	
San Francisco	\$19.38	11.2%	
San Diego	\$13.84	21.4%	
San Jose	\$12.96	17.7%	
Albuquerque	\$12.25	13.2%	
Seattle	\$11.11	15.1%	
Los Angeles	\$9.60	4.4%	
Sacramento	\$9.24	18.5%	
Austin	\$9.15	18.5%	
Denver	\$9.13	16.1%	
Greater Portland	\$8.28	10.7%	

TOTAL INDUSTRIAL			
	RENT	VACANCY	
	\$12.34	7.2%	San Francisco
	\$11.16	14.9%	San Jose
	\$10.41	15.1%	San Diego
	\$7.10	9.1%	Albuquerque
	\$6.99	13.1%	Austin
	\$6.33	9.3%	Seattle
	\$6.12	3.1%	Los Angeles
	\$5.64	8.9%	Greater Portland
	\$5.59	8.6%	Denver
	\$4.92	13.8%	Sacramento

WAREHOUSE			
	RENT	VACANCY	
	\$9.67	6.0%	San Francisco
	\$9.36	15.4%	San Diego
	\$5.75	10.3%	Albuquerque
	\$5.67	15.6%	Austin
	\$5.64	12.9%	San Jose
	\$5.54	8.6%	Seattle
	\$5.52	3.3%	Los Angeles
	\$4.20	10.4%	Greater Portland
	\$4.04	7.7%	Denver
	\$3.60	13.6%	Sacramento

SOURCE: GRUBB & ELLIS COMPANY

COST

OFFICE SPACE BARGAIN

Portland-Vancouver offers the most affordable class A office space on the West Coast at \$23.09 per square foot, compared to San Francisco's \$35.71, Los Angeles' \$35.40 and San Jose's \$35.40. The market has remained the healthiest as well, with a vacancy rate of 13.6% — lowest among all benchmarks.

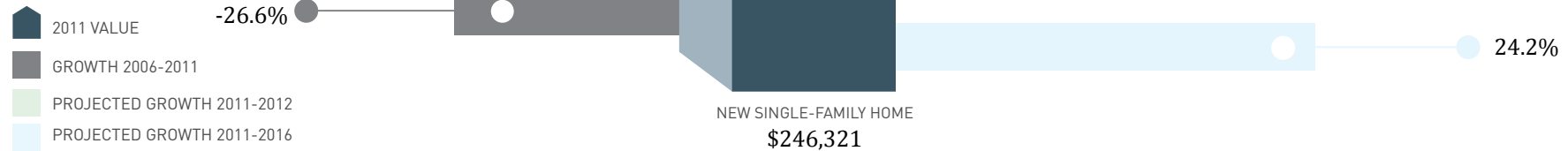
INDUSTRIAL RATES

Keeping with the region's reputation as an affordable industrial center, greater Portland's industrial rent is \$5.64 per square foot — about half the cost of San Francisco's \$12.34, San Jose's \$11.16 or San Diego's \$10.41.

COSTS

COST

Single-family home value



SOURCE: IHS GLOBAL INSIGHT 2011

Home-owners to renters

RATIO 2009

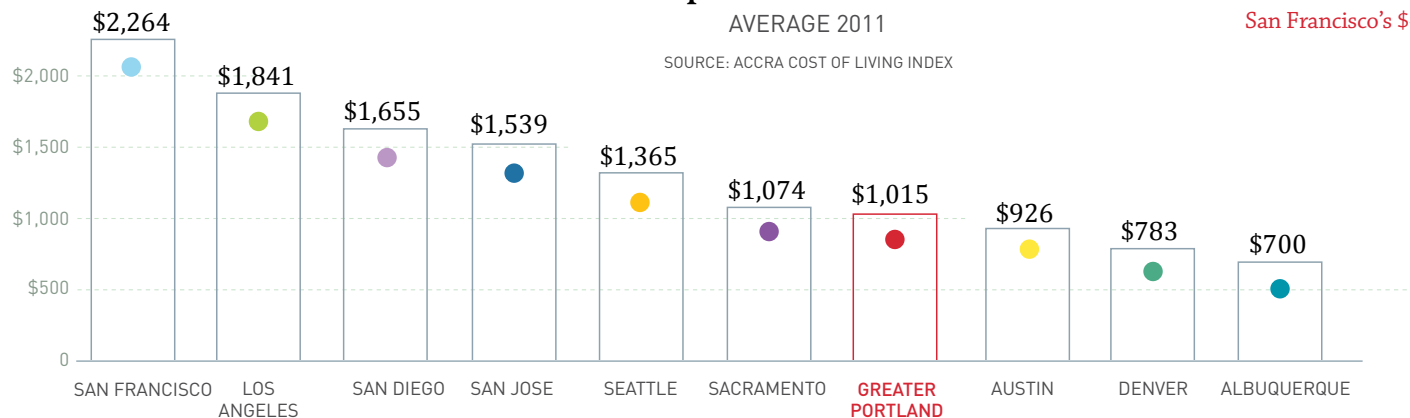
ALBUQUERQUE	2.04
DENVER	1.91
GREATER PORTLAND	1.64
SEATTLE	1.62
SACRAMENTO	1.60
SAN JOSE	1.43
AUSTIN	1.42
SAN FRANCISCO	1.25
SAN DIEGO	1.23
LOS ANGELES	1.03

SOURCE: U.S. CENSUS AMERICAN COMMUNITY SURVEY

Apartment rent

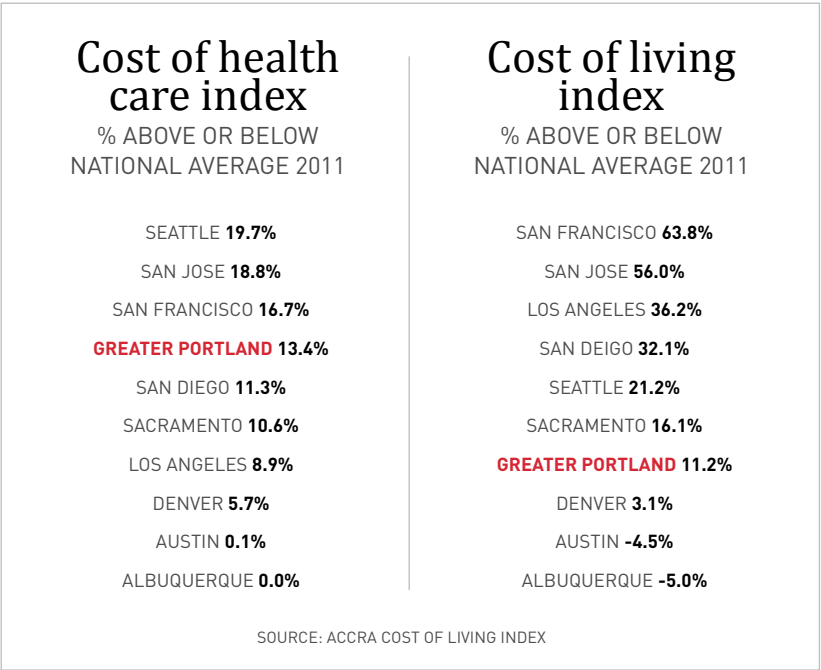
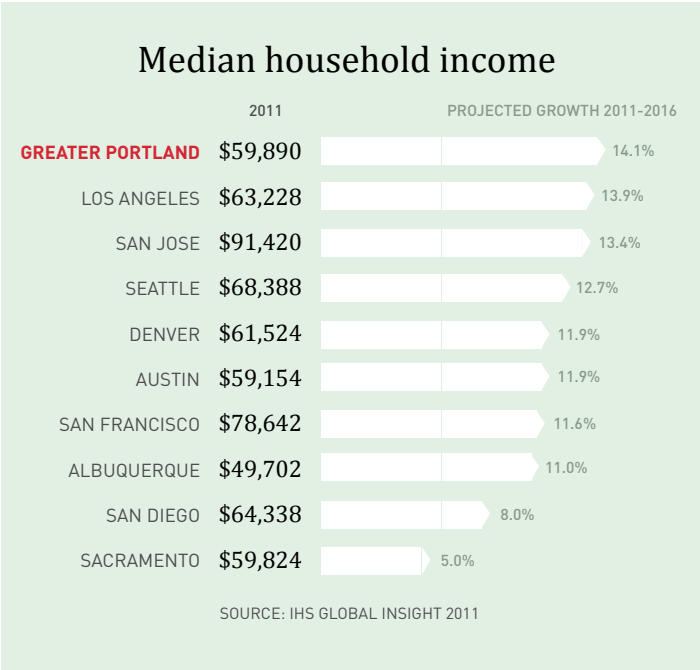
AVERAGE 2011

SOURCE: ACCRA COST OF LIVING INDEX



BUYING A HOME

In 2011, the median value of a single-family Portland-area home was \$227,894 — a 3.4% decrease from the previous year. Compare that to San Jose's \$503,145 or San Francisco's \$426,130.



OWN TO RENT

With one homeowner to every 0.62 renters, greater Portland home ownership rate ranks among the top three benchmark regions.

RENTAL MARKET

The average one-bedroom apartment in greater Portland rents for \$1,015, while a similar space would set you back \$1,841 in L.A. and in \$2,264 in San Francisco.

COST / CASE IN POINT

Agave Denim

RIDGEFIELD, WASHINGTON

When Jeff Shafer moved from Malibu to the Portland metro area five years ago, the California entrepreneur left his \$10 million business in Los Angeles. “The main impetus was to find somewhere affordable where my kids could flourish,” says Shafer, founder and CEO of Agave Denim, which designs and manufactures premium blue jeans that retail for as much as \$250. (Among thousands of customers are Hollywood luminaries Zoëy Deschanel, Will Smith and Mark Wahlberg.) “I wanted to live in a place where I could own some property and not be slammed into a high-density subdivision.”

With new homes in the Portland-Vancouver region about half the price of those in Los Angeles, Shafer settled his family in a secluded five-acre mountaintop retreat in southwest Washington, just 20 minutes from downtown Portland. He initially ran Agave remotely from a 100-square-foot executive suite in downtown Vancouver, taking advantage of the region’s extremely affordable class A office space. Then Shafer started hiring, first a bookkeeper, and two months later a veteran design assistant from Nike. And it got him thinking. “It’s incredibly easy to find great people here at a third or half the salary you’d pay in Los Angeles,” says Shafer. “I don’t mean that I’m cheap — I’m not. But people don’t have to commute 20 miles to get here. And there’s no state

income tax in Washington. The cost of living is so much lower here.” The ease and cost of doing business in the Portland metro area led Shafer to a key decision. In 2009, he changed Agave’s mailing address from Malibu to Ridgefield, Wash., and settled into a 24,000-square-foot corporate headquarters on two acres off the I-5 interchange. The facility was custom built, from handshake to move-in, in just 12 months. “I never could have done this in Los Angeles,” says Shafer, who has grown his local payroll to 15. “It would have taken several years and would have been too expensive. I would have had a nervous breakdown. “I’m a hundred percent happy.”

“The first time we visited Portland, it seemed to be adventure land, with people into cycling, camping, hiking, skiing, surfing on coast. From the food to the great art and music scenes, by the end of the week I was saying, ‘I love this place, I want to move here!’

JEFF SHAFER
CEO

AFFORDABILITY

Greater Portland’s cost of living is 11% higher than the national average but significantly less than that of Los Angeles (36%), San Jose (56%) or over-the-top San Francisco (64%).

COSTS

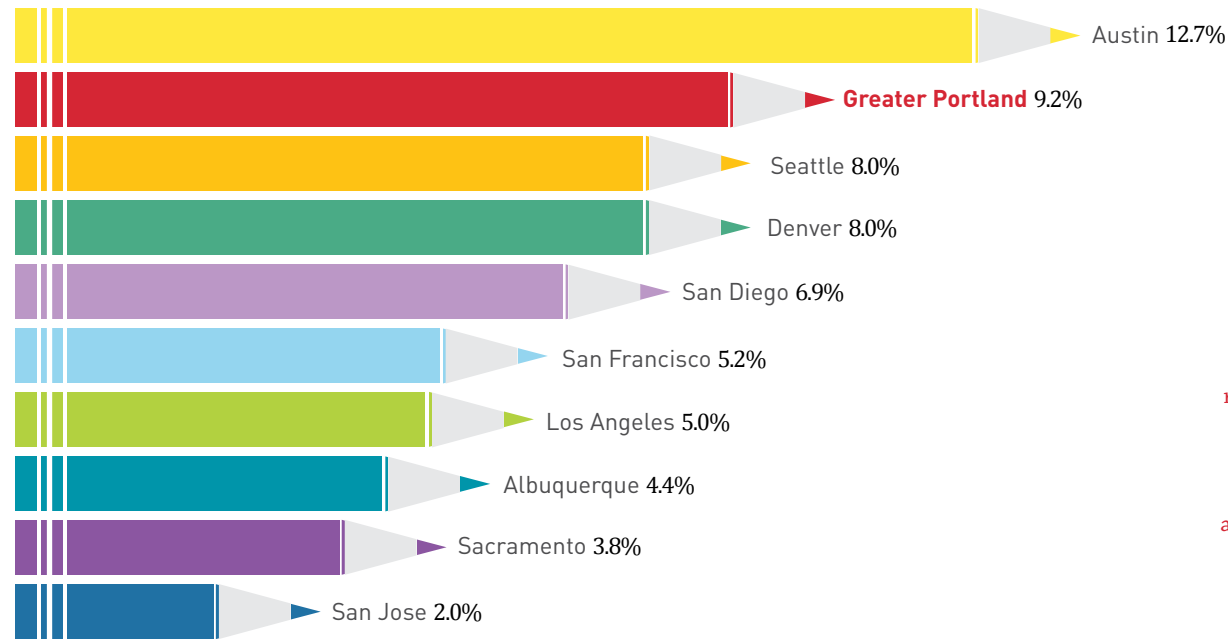
Colleges
and universities

Centralia College
Chemeketa Community College
Clackamas Community College
Clack College
Clark College
Concordia University
George Fox University
Lewis & Clark College
Linfield College
Linn-Benton Community College
Lower Columbia College
Marylhurst University
Mt Hood Community College
Oregon Health & Science University
Oregon Institute of Technology
Oregon State University
Oregon Northwest College of Art
Pacific University
Pacific Community College
Portland Community College
Portland State University
Reed College
The Art Institute of Portland
University of Oregon
University of Phoenix-Oregon
University of Portland
Warner Pacific College
Western Oregon University
Willamette University

Bachelor's and advanced-degree holders

GROWTH 2004-2009

EDUCATION



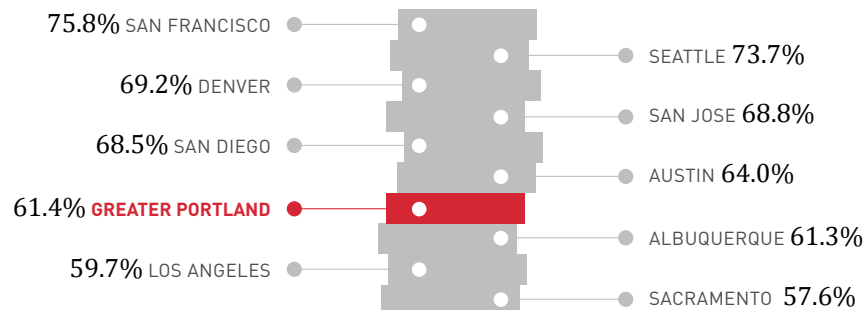
SOURCE: U.S. CENSUS AMERICAN
COMMUNITY SURVEY

GETTING SMARTER

More than 967,000 greater Portland residents have some type of formal training degree — up 8% since 2004. Bachelor's or graduate degree holders have increased 9.2% in the last five years, ranking the region second among benchmarks, just behind Austin. Some 144,000 of the area's residents (8% of the population) are enrolled in college or graduate school — up 14% since 2004.

Degree holders

% OF RESIDENTS 25 AND OLDER 2009



SOURCE: U.S. CENSUS AMERICAN COMMUNITY SURVEY

EDUCATION / CASE IN POINT

Welch Allyn

BEAVERTON, OREGON

To see the future of the medical device industry workforce, step into Welch Allyn Protocol's technical support center. The bunker resembles NASA's mission control and houses a team of 30 headset-wearing engineers who tend to wireless networks and patient monitoring systems deployed at the largest hospitals in the U.S.

While Welch Allyn employs 100 skilled assembly-line workers at a factory that manufactures external defibrillators and other medical diagnostic hardware, it's the 200 or so highly specialized software engineers and developers who have been driving double-digit post-recession growth.

"Non-manufacturing growth, the

greater growth, has been coming from knowledge workers," explains Peter Murray, vice president of operations, who oversees the Beaverton site. "We need sophisticated engineers. When we hire, we don't have to bring in everyone from the Bay Area or Seattle. We grab a lot of local talent. The Portland area has a lot of capable, well-educated people."

More than ever.

In fact, of all the benchmark metros, only Austin experienced a greater influx of advanced degree holders from 2004 to 2009; in 2009, Portland topped all metros in advanced degree-holder growth. Although Portland may lag behind the Bay Area in sheer number of computer scientists and engineers as a percentage of the total workforce, when it comes to health-care practitioners, the metro is second only to Albuquerque.

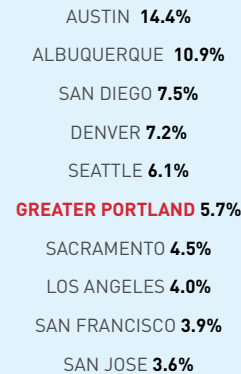
As a member of the Oregon

Bioscience Association, Welch Allyn has been actively involved in nurturing a biosciences workforce. To that end, the company has been tapping the area's higher-education institutions, collaborating with researchers at Oregon Health & Science University, Portland's largest employer and the state's research leader, to explore product development and commercialization initiatives, and over the last four years has tripled the number of engineering interns it has drawn from Oregon State University, the source of half of the company's hires.

"For us, it's all about the ease of doing business in Oregon and access to the workforce," says Murray. "Portland is still small enough that it's easy to get things done. People want to live here, so it's easy to foster talent here and keep talent here."

Residents with an associate's degree or some college

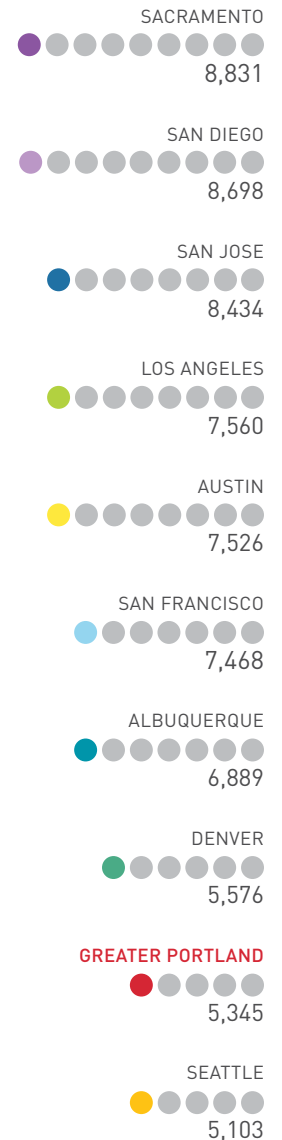
GROWTH 2004-2009



SOURCE: U.S. CENSUS AMERICAN COMMUNITY SURVEY

University students per 100K residents

2009



SOURCE: NATIONAL CENTER FOR EDUCATIONAL STATISTICS IPEDS

“

We have operations in New York, Illinois, California and Oregon, and Oregon is by far viewed as the most favorable in terms of government support. We went to the governor's office and came back with a deal that worked well for both sides. The lawyers in our government affairs division were amazed at how easy it was.”

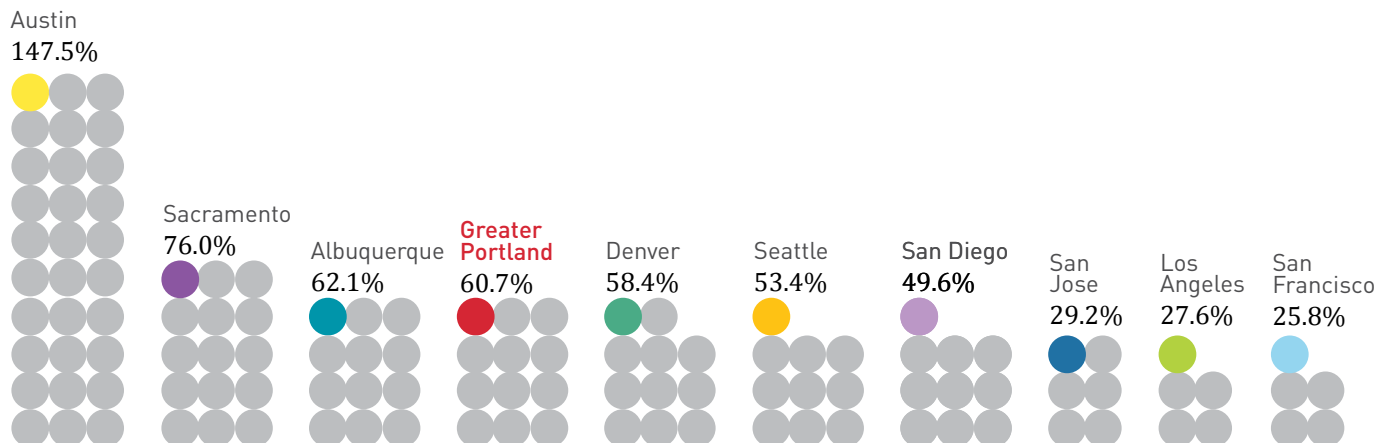
PETER MURRAY

Vice president of operations

EDUCATION

25-year population growth 1984-2009

SOURCE: U.S. BUREAU OF
ECONOMIC ANALYSIS

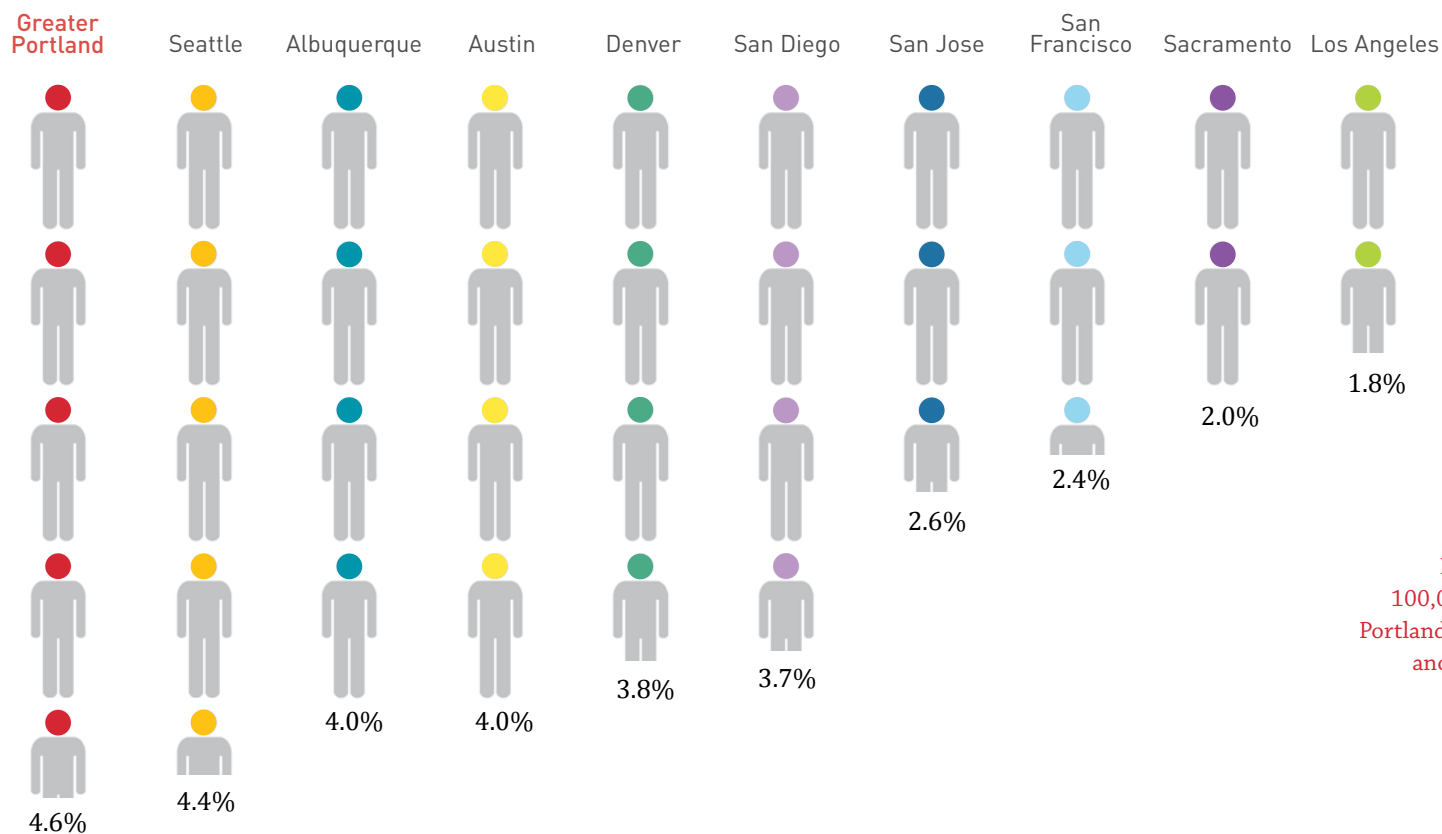


COMMUNITY

Residents who lived outside of metro in previous year

% OF TOTAL
POPULATION 2009

SOURCE: U.S. CENSUS AMERICAN
COMMUNITY SURVEY



MOVING IN

From 2008-2009, nearly
100,000 people moved to the
Portland-Vancouver region from
another metropolitan area.

Public transportation

% OF WORKFORCE 2009

SAN FRANCISCO **14.6%**
 SEATTLE **8.7%**
 LOS ANGELES **6.2%**
GREATER PORTLAND 6.1%
 DENVER **4.6%**
 SAN JOSE **3.1%**
 SAN DIEGO **3.1%**
 AUSTIN **2.8%**
 SACRAMENTO **2.7%**
 ALBUQUERQUE **1.6%**

SOURCE: U.S. CENSUS AMERICAN
COMMUNITY SURVEY

Average commute

MINUTES 2009

SAN FRANCISCO **28.6**
 LOS ANGELES **27.9**
 SEATTLE **27.4**
 DENVER **26.8**
 SACRAMENTO **25.6**
 AUSTIN **24.9**
GREATER PORTLAND 24.8
 SAN JOSE **24.1**
 SAN DIEGO **23.9**
 ALBUQUERQUE **23.3**

SOURCE: U.S. CENSUS AMERICAN
COMMUNITY SURVEY

Working from home

% OF WORKFORCE 2009

SAN DIEGO **6.6%**
 DENVER **6.2%**
GREATER PORTLAND 6.1%
 SAN FRANCISCO **6.0%**
 AUSTIN **5.9%**
 SACRAMENTO **5.4%**
 SEATTLE **5.1%**
 ALBUQUERQUE **4.8%**
 LOS ANGELES **4.8%**
 SAN JOSE **4.5%**

SOURCE: U.S. CENSUS AMERICAN
COMMUNITY SURVEY

STREETCAR, BUS, RAIL

Over 6% of the region's workforce takes public transportation to the office. Some 105,000 greater Portland residents commute to the office without the use of a car.

The average commute time in greater Portland is less than 25 minutes.

FOOT, BIKE

More than 5% of greater Portland workers walk or bike to the office — twice the percentage in Austin (2.5%), ranking the region second, just behind San Francisco (5.9%).

GROWING STRONG

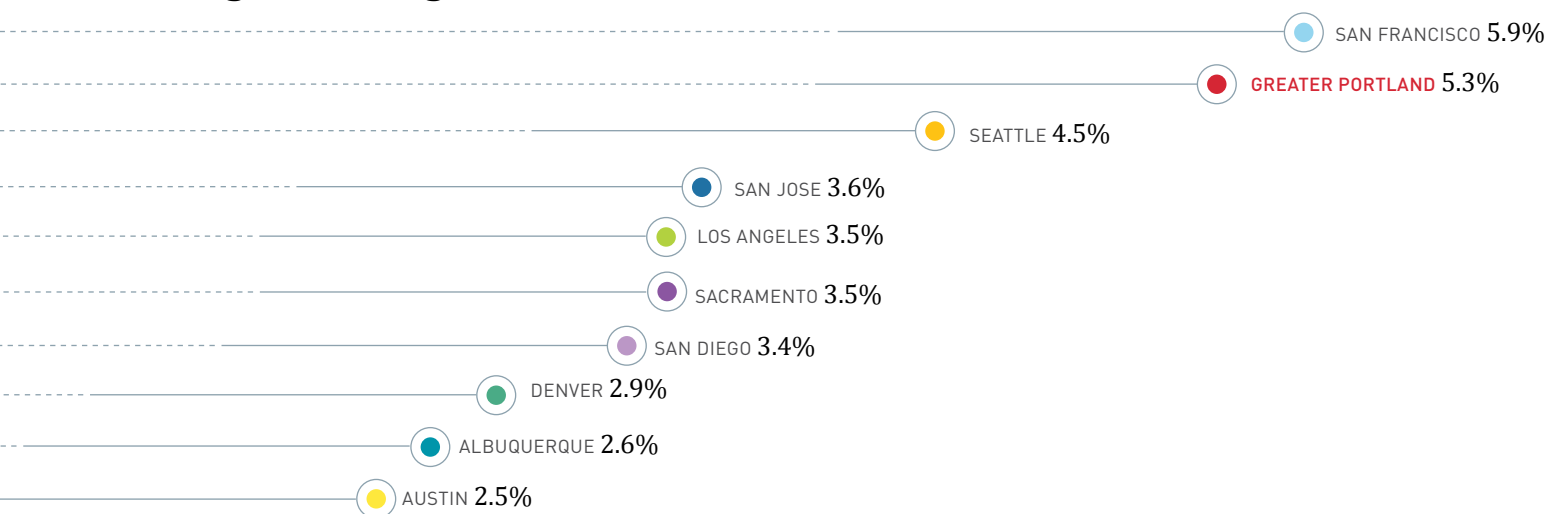
More than 2.3 million residents live in greater Portland, the fifth-largest metro on the West Coast. In the next six years, greater Portland is expected to top 2.5 million, a 7.8% increase over 2011.

SAFE LIVING

In 2010, greater Portland experienced 269 violent crimes per 100K residents — half the number in Albuquerque (652), San Francisco (563) and Sacramento (508), ranking it the safest metro in the West.

Walking and biking to work

% OF WORKFORCE 2009



SOURCE: U.S. CENSUS AMERICAN COMMUNITY SURVEY

COMMUNITY

Violent crimes

PER 100,000 RESIDENTS 2009

ALBUQUERQUE	652.4
SAN FRANCISCO	563.0
SACRAMENTO	508.5
LOS ANGELES	482.7
SAN DIEGO	424.3
SEATTLE	384.3
AUSTIN	356.1
DENVER	346.9
SAN JOSE	288.6
GREATER PORTLAND	268.5

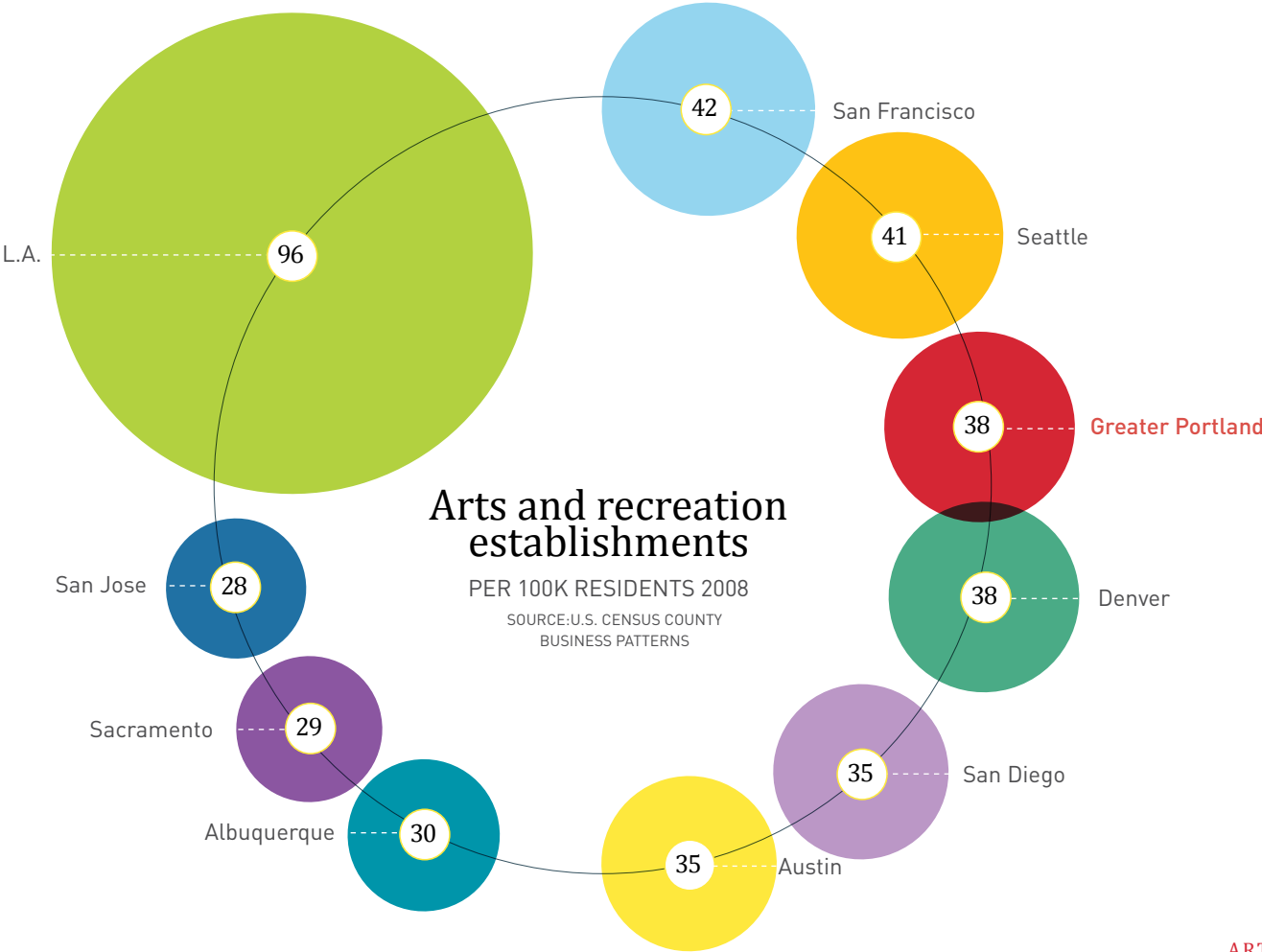
SOURCE: U.S. FBI UNIFORM CRIME STATISTICS

Air passengers

IN MILLIONS 2010

LOS ANGELES	79.9
DENVER	52.2
SAN FRANCISCO	48.9
SEATTLE	31.6
SAN DIEGO	16.9
GREATER PORTLAND	13.2
SACRAMENTO	8.9
AUSTIN	8.7
SAN JOSE	8.3
ALBUQUERQUE	5.8

SOURCE: AIRPORT COUNCIL



ART HOTSPOT

The Portland-Vancouver region boasts more than 850 arts and recreation establishments — 38 per 100K residents, ranking it ahead of Austin (35), San Diego (35) and Albuquerque (30). The number has grown almost 11% since 2005.

Immigrant and minority populations GROWTH 2004-2009

Immigrant		African American		Hispanic		Native American	
Austin	18.7%	Austin	21.7%	Seattle	18.3%	Greater Portland	39.6%
Albuquerque	10.6%	Albuquerque	20.5%	Austin	15.7%	San Francisco	31.7%
Seattle	5.7%	Greater Portland	8.9%	Greater Portland	12.1%	San Jose	30.4%
Greater Portland	3.7%	San Diego	7.9%	Sacramento	9.6%	Albuquerque	12.4%
San Jose	3.3%	Denver	7.5%	Albuquerque	8.7%	San Diego	6.9%
Denver	2.7%	Seattle	6.9%	San Diego	7.5%	Denver	6.7%
San Diego	2.7%	San Jose	6.4%	San Francisco	6.4%	Seattle	4.9%
San Francisco	2.2%	Sacramento	3.2%	San Jose	6.0%	Los Angeles	4.7%
Sacramento	-0.2%	San Francisco	2.4%	Denver	5.7%	Austin	4.3%
Los Angeles	-1.0%	Los Angeles	-0.1%	Los Angeles	0.7%	Sacramento	-7.3%

SOURCE: U.S. CENSUS AMERICAN COMMUNITY SURVEY

COMMUNITY / CASE IN POINT

Urban Airship

PORTLAND, OREGON

Anyone who's made a purchase from an iPhone, Android, iPad or Blackberry has interacted with Urban Airship, a downtown Portland startup that designs the software Newsweek, Warner Brothers and other content providers use to collect payment (and advertise upgrades and services) for apps that run on smartphones and tablet computers.

"Without our stuff, an app developer can't be successful," says CEO Scott Kveton.

And Urban Airship couldn't be as successful as it is without tapping the Portland metro's deepening well of talented software engineers. With a 25-year population growth rate of 60.7%, the region has grown twice as fast as

Los Angeles and is seeing tremendous growth in bachelor's and advanced-degree holders. It's also home to nearly 150,000 freelancers, a pool that Urban Airship draws on.

"Having a bunch of smart people here is really good for us," says Kveton. "Portland is our secret weapon. We don't have to duke it out with Amazon and Microsoft and Facebook for talent. This is a fantastic place to live if you want to work in a fast-paced technology company."

Even though Urban Airship has doubled in size since receiving a \$5.4 million VC infusion in November 2010, Kveton didn't have to look outside the region for new hires, or even beyond the front door of his 25,000-square-foot retrofitted warehouse headquarters that the startup shares with four other plucky mobile app service providers. He

sees it as "not just a great big beautiful building but as a center of gravity for a whole new scene of entrepreneurs."

Within three blocks in the hip Pearl District — home to galleries and restaurants, a streetcar line and granddaddy creative firms such as Ziba Design and Wieden+Kennedy — you'll find a cluster of recently launched and venture-fed software startups, including Puppet Labs and ShopIgniter, staffed with young creatives scribbling on whiteboards into the night.

"My team works seven days a week and they love it because they love what they do and they love where they live," says Kveton. "Here we get to work on these challenging problems, build a compelling business and live in a fantastic place. It's the best of all worlds."

“

Within three blocks there's a whole host of brand new companies that launched within the last few years. They're venture-packed, fast-growth, product-oriented businesses. It's a whole new scene of entrepreneurs.

SCOTT KVETON
CEO

Same-sex couples

PER 100K RESIDENTS
2009

San Francisco 5,048



Greater Portland 3,834



Seattle 3,629



Denver 3,296



Austin 3,262



Albuquerque 3,157



Sacramento 3,095



San Diego 3,029



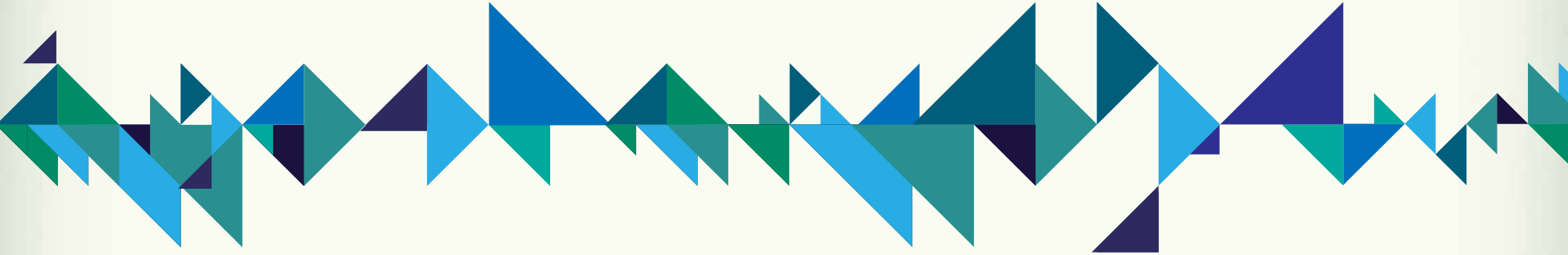
Los Angeles 2,278



San Jose 2,000



SOURCE: U.S. CENSUS AMERICAN COMMUNITY SURVEY



Greater Portland Inc. is a public-private consortium of CEOs, mayors,
commissioners and other community leaders who've banded together to inspire
the growth of the region and to amplify the message:

Come to greater Portland, simply the best place to live and do business.



GREATER PORTLAND INC.

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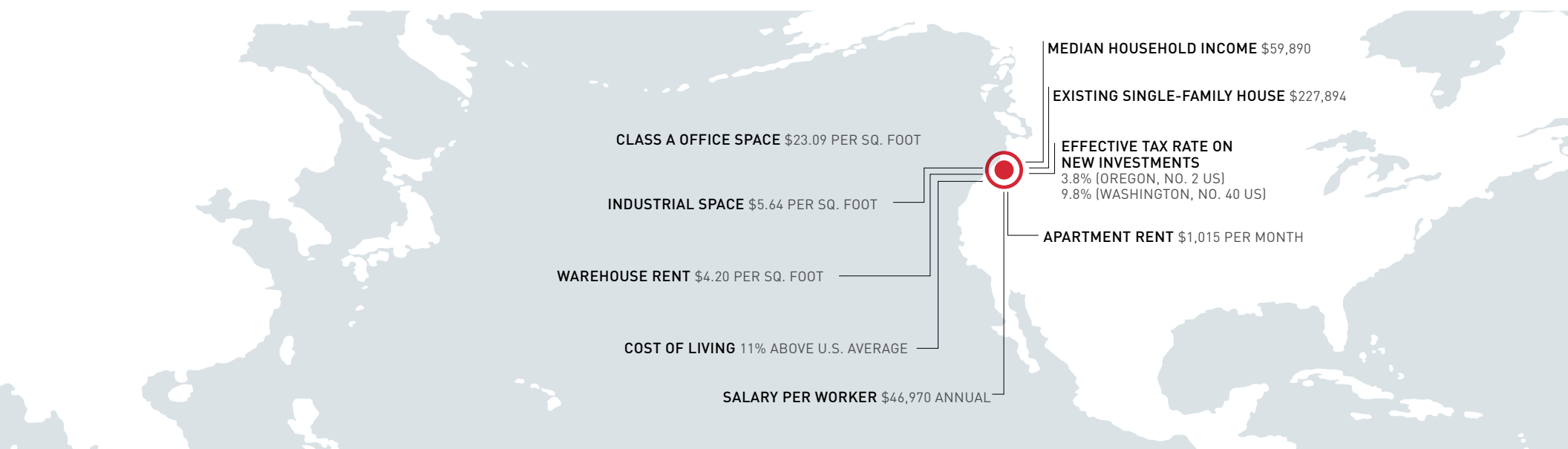
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Regence





Greater Portland-Vancouver

Population
2.3 MILLION
PROJECTED
GROWTH 2011-2016
7.8%

Exports
\$22 BILLION
% SHARE
OF TOTAL GRP
20.6%

Patents
PER 100K RESIDENTS
63.8
GROWTH 2004-2009
3.5%

**BA and higher
degree holders**
479,171
GROWTH 2004-2009
9.2%

**Gross regional
product**
\$125.4 BILLION
PROJECTED
GROWTH 2011-2016
28.8%

Venture capital
\$806 MILLION

**Average
commute time**
24.8 MINUTES

**Airport
passengers**
13.2 MILLION

Employment
962,571
PROJECTED
GROWTH 2011-2016
11.8%

**Associate
degree holders**
487,906
GROWTH 2004-2009
5.7%

SOURCES: IHS
GLOBAL INSIGHT
2011. U.S. CENSUS,
AMERICAN COMMUNITY
SURVEY 2004-2009
FBI UNIFORM CRIME
STATISTICS 2009
BROOKINGS METROPOLITAN
PROGRAM 2010
PWC MONEYTREE 2010
AIRPORT COUNCIL 2011



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